

31<sup>st</sup> January 2003

Mr. Lionel Jayaratne  
Cognizant Technical Officer,  
USAID,  
No. 44, Galle Road,  
Colombo 03.

Dear Sir,

**Progress of the RESP – from Sept. 23<sup>rd</sup> to Dec. 31 –2002.**

**Contract No : 386-C-00-02-00194-00**

**Introduction**

**1. Signing of the contract**

The contract signed by Regional Contracting Officer USAID was signed in the YESL office by the Chief Executive officer – YESL on Sept. 23 2002 in the presence of Mr. Lionel Jayaratne, Cognizant Technical Officer, Ms. Shirani Paul, Financial Controller of USAID, Mr. Patrick Amarasinghe President YESL and Mr. Pathmasiri Dias Vice President.

**II. Purpose of the Contract :**

To provide assistance to YESL to promote practical business and economic education programs in Sri Lanka schools especially rural schools (B 1)

**III. Contract type:**

Cost Reimbursement – No fee contract (B 2)

**IV. Budget :**

SLR – 18,222,210 plus US \$ 20000.

**V. Period of Performance**

Sept. 23 –2002 to Sept. 23 – 2003.

### **Activities:**

#### **I. Working Arrangement**

- Discussions with the RCO, Finance Controller and the YESL Board.
- Initial position reviewed

#### **II. Concerns:**

The approval of the Project was acknowledged with pleasure and the following observations were made.

- (a.) Unusually long delay in approving the project, has caused YESL to respond to the changes in the system,(JAI); organization and the country situation.
- (b.) Effective date being the same day as the signing of the contract, needs modification to make it implementable.
- (c.) Change of the contract type, from Grant status to Reimbursement Basis, has caused severe financial strain on YESL, which is a non-profit organization depending on donor funding. The situation has been made worse by the commitment of employing an extra full time accountant for 2 years at the initiation of USAID, in anticipation of the project approval. This fact has resulted in a huge drain of YESL funds during a difficult period in the country. YESL is compelled to utilize this funding in a staggered basis to maintain a steady cash flow, which can result in a slower pace in implementation.
- (d.) Non compliance of the project period with the school calendar of Sri Lanka. October, November being final months of the school year is not suitable for introductory work.
- (e.) Price of certain items have been escalated in big proportions during the recent past.
- (f.) Procurement of a vehicle on the approved estimate is currently not feasible. Hence a revision is needed.

These matters have been brought to the notice of CTO in early October who has been very co-operative and understanding.

#### **2. Procurement of materials**

- ( I ) First installment of local materials have been ordered and procured Rs. 329,050 out of Rs. 617,500 have been spent in October.
- ( II ) JAI materials were ordered from the USA in September –

The order has been processed by JAI. An overdue payment on previous orders located by JAI has been sorted out by the CTO and the order is to be implemented in January (100%)

### **3. Procurement of Equipment**

Following Procurements have been effected by end of December.

I. Office equipment	Rs. 645,000
II. Mobile Training Equipment	Rs. 597,500
III. Central Training Equipment	Rs. 445,000

Orders have gone for the following for January supplies.

I. Office Equipment	Rs. 216,000
II. Mobile Training	Rs. 42,500
III. Central Training	Rs. 65,500

- Completing the Mobile Training Unit is held up until a vehicle is procured

### **4. Selection and Appointment of Staff**

A newspaper advertisement was published in Dec. 15 – 2002 calling for applications (Copy attached). A selection workshop is arranged for early January to select the personnel and to get the approval of the CTO / RCO.

Most of the key personnel given in F 5 have left YESL.

### **5. Training**

Training of YESL staff, field coordinators, consultants and Resource Persons have been planned for January February and March.

Training Materials have been prepared 75%

#### **Outputs/ Deliverable**

(1) Materials	53%
(2) Equipment	- Office equipment 30%
	- Mobile Training equipment 30%
	- Central Training equipment 78%
(3) Staff / Personal	60%
(4) Training – Planned	

**Problems**

Major problem is in the cash flow, due to the nature of the contract.

Regular YESL programme has to be implemented without hindrance, while implementing the RSEP.

**Planned Activities**

The activities planned for next quarter (January – March) include the following.

1. Training of project personnel
2. Selection of Project Schools
3. Establishment of Regional Offices
4. Training of Principals and Teachers
5. Distribution of Materials
6. Procurement of balance items
7. Launch of the Project.

Thank you.

Yours Sincerely,

Premasiri Weliwita

Chief Executive Officer